

Mr. Liu suggested that perhaps no travel expenses were incurred, seeing that the defendants were operating an airline. I accordingly ordered that the plaintiffs pay the defendants the costs of the proceedings calculated for work done on and after September 18, 1981. Defendants may be reimbursed the travel (if any) and hotel expenses of their witness. There will be payment out of \$253.74 to the defendants by way of set-off against the costs due to them.

Claim dismissed.

Solicitors: *Lim Ganesh & Liu; Ho & Wee.*

**SYSTEM FURNITURE CO. PTE. LTD. v.
ANTHONY G. WIBISONO**

[O.C.J. (Lai Kew Chai J.) September 26, 1985]

[Singapore — Suit No. 3855 of 1980]

Contract — Oral agreement to decorate and furnish flat — Breach — Defendant denies concluded contract — Claim for damages — Interest.

The plaintiffs carry on the business of interior decorations and furniture manufacturing. They are claiming damages in the sum of \$61,650, interest and costs against the defendant for breach of an oral agreement entered into on July 9, 1980 to decorate and furnish the defendant's flat (hereinafter known as "the flat"). The defendant denies that there is any concluded contract and also disputes the quantum of damages.

Held: (1) on the evidence, the learned judge found that the parties had orally concluded a contract in the course of their meeting on July 9, 1980;

(2) the plaintiffs have incurred the items of damages claimed, they had given ample notice to the defendant and the sale of the manufactured items was at the best available price in all the circumstances of the case. Accordingly, there will be judgment for the plaintiffs in the sum of \$61,650 and interest thereon at the rate of 12% p.a. calculated from December 1, 1980 on which date the plaintiffs ought to have received their payment.

CIVIL SUIT.

Charles Ng for the plaintiffs.

Peter Moe for the defendants.

Cur. Adv. Vult.

Lai Kew Chai J. : The plaintiffs, who carry on

A the business of interior decorations and furniture manufacturing, are claiming damages in the sum of \$61,650, interest thereon and costs against the defendant for breach of an oral agreement entered into on July 9, 1980 under which the defendant had employed the plaintiffs to decorate and furnish the flat known as No. 1803, 17th Floor, Lucky Towers, Singapore (hereinafter referred to as "the flat").

The defendant denies there was a concluded contract and also disputes the quantum of damages.

C It is common ground that the flat, which is four room, was bought by the defendant's wife sometime in June 1980 from one Andy Ong who had before the sale engaged the plaintiffs to renovate the flat. After the purchase by the defendant's wife, Andy Ong in late June 1980 arranged a meeting between Richard Goh Soo Hock, the executive director of the plaintiffs, and the defendant with a view to decorating and furnishing the flat. They met at the flat. Also present were the defendant's wife, Andy Ong and one Aron, a Malay draftsman of the plaintiffs who had left the employ of the plaintiffs about three years ago and who, in spite of attempts by the plaintiffs, was untraceable and unavailable to give evidence.

F Richard Goh said in evidence that the plaintiffs had by the time of the meeting renovated some 8 or 9 apartments in Lucky Towers. So he brought along the plans of those units, photographs and brochures of two show flats which the plaintiffs had decorated for the developers, which the defendant studied. He also showed the defendant samples of the carpets, wall coverings and fabrics. For some two hours, the defendant and Richard Goh went over every individual area of the flat and discussed the requirements of the defendant which Richard Goh noted on the plan of the flat. After the meeting, the party adjourned for tea at the Marco Polo Hotel. In the course of tea, Richard Goh mentioned that the plaintiffs had renovated a flat of one Robert Heng who the defendant said he knew. At defendant's request Richard Goh phoned Robert Heng and arranged for an inspection of Robert Heng's flat at Lucky Towers. The party then went to the flat known as No. 503, 4th Floor, Lucky Towers. They were there for almost two hours. In the course of the inspection, the defendant indicated that he wished to adopt some of the works in Robert Heng's flat such as the design of the ceilings, the marble floor, the demolition of the store room walls, the bar counter and the room dividers of the living/dining room. He also liked

most of the room furnitures and the general finish of the flat. Robert Heng's flat was renovated by the plaintiffs for almost \$95,000.

As a result of this first, rather extended, meeting, the defendant and Richard Goh knew more or less what the defendant wanted. Richard Goh told the defendant that the cost would be in the region of \$90,000 to \$100,000 and the defendant indicated that the amount was alright with him. The defendant then instructed Richard Goh to put up the offer documents, setting out the items and the costs, revise the interior plans and see him again in early July 1980 with the samples when the defendant was due to return to Singapore from overseas. The defendant also indicated that he would require the renovations to be completed by the end of September 1980 after his holidays with his children in the United States so that the family could make use of the flat.

Richard Goh then caused to be prepared the offer documents in which the items and the costs are all set out. They are exhibits marked AB1 to 4. In AB1, he put down "8/10 weeks" against the line for the delivery (meaning completion) date. He also prepared the interior plan of the flat: exhibit P10, and the samples of the materials ready to meet the defendant again.

On July 9, 1980 Richard Goh met the defendant at the lobby of the Hyatt Hotel. He handed to the defendant the offer documents, the plan and the samples. The defendant went through every item. He was satisfied but he wanted two items changed. For item 11 in AB2, he wanted to reinstall the airconditioning blowers inside the new ceiling, including ducting works. He added an item for mirror to item 33 and a new item numbered 55 under which he required the plaintiffs to remove the existing mosaic on the balcony and replace it with floor tiles. The question of discount was discussed and, finally, Richard Goh gave a discount of \$7,807. In the result, the cost of the extensive works was agreed at \$81,500.

Richard Goh asked the defendant to pay a deposit of 40% which was \$32,600. The defendant said he did not have his cheque book with him and he asked Richard Goh to collect the cheque from his father-in-law, one Mr. Tan Tai Sun, at No. 22 West Coast Rise, Singapore. The defendant gave Richard Goh the telephone number of his father-in-law. Richard Goh wrote the address and phone number on the visiting card of the defendant which he was given at their first meeting in late June 1980.

A After the meeting at the lobby, the defendant invited Richard Goh for dinner at the Hyatt Hotel. In the course of the dinner, the defendant mentioned that he wanted certain additional items. They were a door for the servant's room, taps and additional power points for the dishwasher and plumbing works, a cloak hanger and a cabinet in the Master bedroom for his tapes. These were minor items and Richard Goh told him they would cost within the range of \$2,000. The defendant told him to go ahead. These minor items were eventually reflected in the exhibits marked AB9 and 10 and they came up to \$2,150.00.

C According to Richard Goh, the defendant had orally agreed to employ the plaintiffs to carry out the renovations and furnishings at the total sum of \$83,650. The details of the works were set out in the offer documents, the interior layout plans and samples of all the materials were approved by the defendants as in accordance with his requirements.

E On the day following the agreement Richard Goh called on the father-in-law of the defendant. He handed to the defendant's father-in-law the order documents in duplicate, on the second copies of which he had typed in a space for acceptance by the defendant. He did this, and did not insist on it being signed, because to him it was a mere formality. He told defendant's father-in-law that he had come to collect the cheque and the PUB and Telecoms forms and the keys to the flat. He collected the cheque made out by the defendant and returned to his office. But he was later told by his staff that there was a discrepancy between the words and the figure in the cheque and he immediately contacted the father-in-law of the defendant for the United States address of the defendant which was given to his office later, after which he wrote to the defendant, sending a copy of it to the United States address requesting for a replacement cheque and for the wife of the defendant to sign the PUB application forms as the defendant's wife was the owner of the flat.

H Richard Goh explained that he genuinely believed that the defendant had made a mistake in making out the cheque. He trusted the defendant, who appeared to him to be impressively well to do and worthy of trust, and he proceeded with all the works without any delay, bearing in mind that he had to complete the works by end of September 1980 so that the defendant and his family could live in it upon their return from their holidays in the United States.

I The plaintiffs thereafter took steps to fulfil

their part of the contract. They applied to the Building Control Division ("the BCD") of the Ministry of National Development for building approval to remove the walls of the store room, which they obtained by Andy Ong signing the BCD plans as was agreed by the defendant. They fabricated the ceilings, manufactured the furniture and bought all the materials and were ready in all respects to instal them in the flat and complete the furnishings.

In his cross-examination, it was put to Richard Goh that the defendant had specifically told him that the plaintiffs' employment was conditional upon the plaintiffs producing to him for his subsequent approvals a formal contract containing all the terms and conditions of the employment, in which are set out all the items of work and the costs, the layout plans and samples of the materials. The plaintiffs denied all these allegations as untrue.

The defendant next met Richard Goh only on September 11, 1980 at the Shangri-la Hotel and asked for the return of the original cheque. Instead Richard Goh wanted an exchange and replacement by a valid cheque. The defendant became somewhat annoyed, saying that Richard Goh seemed not to trust him. On the following day, Richard Goh sent his assistant to see the defendant to exchange the cheque and also to deliver to the defendant a letter dated September 11, 1980 in which Richard Goh pointed out that the plaintiffs had "prepared all the necessary works" for the flat and had obtained the approvals from the BCD and the Telecoms. By that time, the defendant was very angry. Richard Goh wrote to the defendant again on September 13, 1980 regretting that the exchange of the cheque had not taken place and that unless the plaintiffs were allowed to carry out the installation not later than September 19, 1980 the plaintiffs would claim damages against the defendant for breach of contract. Ten days later the plaintiffs' solicitors gave notice to the defendant that unless he allowed the plaintiffs to commence the installation within a week the plaintiffs would sell and dispose of the materials and furnishings and claim damages.

The defendant on October 14, 1980 for the first time claimed that there was no concluded contract and that Richard Goh had fraudulently induced his father-in-law to part with the cheque knowing that he was not entitled to receive the cheque until the conditions precedent were fulfilled.

A Richard Goh learned towards the end of 1980 that the defendant's wife had sold the flat in October 1980.

B The plaintiffs proved that they had prepared and manufactured nearly all the items in the contract, having bought some \$8,932 worth of materials from Alpha Furnishings Textiles (Pte) Ltd. and used their stocks to manufacture the rest of the items. The materials manufactured for the flat were sold on October 16, 1980 to one Mr. Lee Wai Keong for \$20,000. That was the best price which the plaintiffs could fetch. Richard Goh explained in detail that the materials were fabricated for the particular needs of the flat and were of the designs and colours chosen by the defendant and were therefore difficult to sell.

C The defendant is a wealthy Indonesian businessman and is married with four children, all in July 1980 studying in the United World College, Singapore and living with his father-in-law at No. 22 West Coast Rise, Singapore. According to him, his wife bought the flat at \$600,000 on June 28, 1980 and the transfer was registered on July 29, 1980. D He confirmed the first meeting with Richard Goh at the flat on June 27, 1980. At the flat, both parties went over the nature of the renovations and furnishings and consulted the previous quotations given by the plaintiffs to the previous owner of the flat. The defendant also confirmed having inspected the flat of Robert Heng and subject to his individual choices, he had told Richard Goh that he wanted the flat to be decorated along substantially the same lines. They then arranged to meet again in early July 1980 after the defendant's overseas trip.

E Both parties met at the Hyatt Hotel on July 9, 1980. The defendant alleged that he was only shown the offer documents marked as AB1-4 and was not shown by Richard Goh the samples or the layout plan. According to the defendant, he went over all the items in the offer documents and finally agreed to the pricing which totalled \$81,500. Apart from this agreement, the defendant claimed that all other matters were not agreed by him. In fact, he said he wanted Richard Goh to prepare a written contract containing all the terms and conditions, the sample and the layout plan. The defendant said that Richard Goh wanted the deposit of 40% and as he was leaving Singapore the following morning, he arranged for Richard Goh to collect the cheque from his father-in-law only if he was satisfied with the terms and conditions of the

written contract. The defendant alleged that contrary to the arrangements made, Richard Goh induced his father-in-law to part with the cheque for the deposit. He said that by mistake he drew the cheque wrongly. He denied having received the plaintiffs' letter of July 17, 1980 which was addressed to his address in the United States of America which sought the replacement of the defective cheque and for certain documents for the opening of the PUB account for the flat. The defendant further alleged that on learning about Richard Goh's wrongful collection of the cheque, he cabled his father-in-law to contact Richard Goh to wait for him to return to Singapore and to commence the work. A copy of the cablegram received in Singapore on July 24, 1980 was tendered as exhibit D3.

I now consider the question whether the parties had orally concluded a contract in the course of their meeting at the Hyatt Hotel on July 9, 1980. I have no doubt in my mind that they had. Richard Goh struck me as a witness of truth and I accept his evidence. I find that the defendant had accepted his offer to carry out the works at the price of \$81,500 and for the additional work at about \$2,000. It was clear to me that the defendant had asked him to collect the cheque from his father-in-law without attaching any conditions whatsoever. Richard Goh was impressed by the defendant and he trusted him and went ahead with the works. He even thought that the discrepancies in the cheque arose out of the defendant's genuine mistake and proceeded to complete the fabrications of all the materials so that the works would be completed in time for the defendant and his family to make use of the flat by the end of September 1980. Although he had sent the Order Documents to the defendant via the father-in-law and had typed in the words "Accepted by...Date" I accept his explanation that it was a mere formality. Both parties had gone over every item of the works to great length since their first meeting and by the end of the second meeting their minds had met and a contract was formed. And the cheque for the 40% deposit was accordingly arranged. If further approvals and agreement from the defendant had been agreed, there was no reason why the defendant could not have waited for the written contract, samples and layout plan and upon being satisfied, then and then only to send along the cheque for the deposit.

I regret to say that I do not accept the evidence of the defendant on what had transpired at the July 9, 1980 meeting. His evidence on the additional conditions was clearly an afterthought. For

A reasons best known to himself, he changed his mind shortly before he sent the telegram. Although he did instruct his father-in-law to tell Richard Goh to wait for his return to Singapore, I accept the evidence of Richard Goh and find that he was not contacted by the father-in-law of the defendant. I also found it odd that the defendant had failed to contact Richard Goh directly, which he could have done quite easily. In this regard, I find that Richard Goh was not told of the intentions of the defendant. The defendant's intention to renege on the contract became apparent to Richard Goh only when they met on September 11, 1980. By then, of course, the plaintiffs had completed the manufacture of all the necessary items.

I have also considered the evidence on the damages suffered by the plaintiffs. The items are particularised in exhibit P13. There was no available market for the furnishings which were specifically made to the order of the defendant. I am satisfied that the plaintiffs have incurred the items of damages they had claimed, that they had given ample notice to the defendant and that the sale of the manufactured items to Lee Wai Keong for \$20,000 was at the best available price in all the circumstances of the case.

Accordingly, there will be judgment for the plaintiffs in the sum of \$61,650 and interest thereon at the rate of 12% p.a. calculated from December 1, 1980 on which date the plaintiffs ought to have received their payment. The defendant is also ordered to pay the costs of these proceedings. I also order payment out of the money paid into court to the plaintiffs.

G *Claim allowed.*

Solicitors: *Charles C.F. Ng & Co.; Boey Ng & Wan.*

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